Governance Challenges for Northern Australia

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<tr>
<td>ACC</td>
<td>Area Consultative Committees</td>
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<td>ACF</td>
<td>Australian Conservation Foundation</td>
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<td>COAG</td>
<td>Council of Australian Governments</td>
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<td>CRN</td>
<td>Collaborative Research Network</td>
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<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
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<td>IPA</td>
<td>Institute of Public Affairs</td>
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<td>JCU</td>
<td>James Cook University</td>
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<td>NAILSMA</td>
<td>North Australian Indigenous Land and Sea Alliance</td>
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<td>NAMF</td>
<td>Northern Australian Ministerial Forum</td>
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<td>NDRRA</td>
<td>Natural Disaster Response and Relief Arrangements</td>
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<td>NRM</td>
<td>Natural Resource Management</td>
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<td>NT</td>
<td>Northern Territory</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>QLD</td>
<td>Queensland</td>
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<td>RDA</td>
<td>Regional Development Australia</td>
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<td>RDP</td>
<td>Regional Development Program</td>
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<td>TSRA</td>
<td>Torres Strait Regional Authority</td>
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<td>TWS</td>
<td>The Wilderness Society</td>
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<td>WA</td>
<td>Western Australia</td>
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<td>WWF</td>
<td>World Wide Fund for Nature</td>
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Executive Summary

Over the last decade, Australia’s tropical north has featured front and centre in big national debates about the nation’s future. As in the past, the north has again been cast as the nation’s frontier saviour through bold new resource and agricultural developments, both real and imagined. Yet others have dreamt of the north’s expansive landscapes being secured as an iconic wilderness. Big human rights-centred debates have raged about the success or otherwise of Commonwealth, State and Territory interventions in Indigenous communities. Quick-draw policy responses on complex issues like the live cattle trade have had devastating impacts on the confidence of northern industries and communities. Finally, the daily media images of refugees heading to the coast keep the north’s strategic importance on centre-stage, raising unresolved tensions about relationships with our Asian-Pacific neighbours.

With some exceptions, these national debates have played out across southern Australia’s media, policy-making and academic institutions and think-tanks; a debate largely crafted by, and for, a southern audience. For those of us in the north, it is forgivable to think that the south looks upon northern Australia as one might look upon their own troubled child; a youngster on the precipice between adolescence and adulthood. There seems to be, on one level, that great hope and expectation of a gifted life ahead; the north stepping forth in untold prosperity and longevity. At the same time, there remains a fear that, left to its own devices, the north will spiral into delinquency; a failed state perhaps.

While it could be too easy to cast a discussion about the future of northern Australia in simple north-south terms, the south does have the political power, money and population to deliver big changes in the north. Many in the north, however, would argue that, on a daily basis, they experience flaws in the south’s contribution to its governance. There is a common perception that major policy decisions are often made in the interest of a southern electorate without real concern for the rights and interests of those in the north. Other concerns relate to programs that are too short term, fragmented and restrictive to make any genuine changes for the better.

Without further extending the “troubled youth” analogy, this might just be a sign that the north is maturing and is champing at the bit to be more in control of its own destiny. The north, however, is indeed different to the south. It has a far thinner human and institutional capacity. Its land tenure foundations are largely public or communal versus private. It is primarily an Indigenous domain. Its climate and annual cyclonic risk is beyond the typical experiences of those in the south. Much of the north is closer to populous Asian and Pacific capitals than to Perth, Brisbane or Canberra. As such, northerners, by and large, are looking for different governance models. There is a desire to cast existing models aside and to at least explore, in partnership with State and Federal Governments, innovative new approaches.
Northern Australians want people in the south to better understand this unique, majestic land and its importance to the nation. Over recent years, several columnists and academics have had a go at building a narrative about the north, but few have tried to start a genuine dialogue between northern and southern Australia; a dialogue focused on how the nation as a whole might work towards a better future for northern Australia through governance reform. This discussion piece aims to start a national debate about the purpose and direction for such reform. It is not, however, a return to Theodorian-style calls for political separatism. Northern Australia needs southern Australia and vice versa. This means that, at the very least, the nation needs a bolder and united north Australian narrative that takes us from being the post-colonial backwater of three separate governments to a more northern-driven but nationally integrated governance system. It is about Australian and State/Territory Governments radically and collectively reconfiguring their current fragmented and geographically distant approach, to one that negotiates big policy decisions in the north and that manages government policy and programs in radically different ways.

With mature economies in the south, fresh opportunities for major national economic, social and environmental advances rest in the north. Southern powers need to explicitly support the emergence of these opportunities from within the north itself for the benefit of the nation as a whole. This could emerge through a stronger northern Australian policy, fiscal and delivery architecture; perhaps one directly integrated into the Council of Australian Governments (COAG) framework. Such an architecture and associated processes, however, must be powerfully engaged with a cohesive and strong pan-tropical alliance of northern Australia’s sectoral interests, inclusive of traditional owners, local government, industry, human service, conservation and other sectors. It must also be independently informed by a cohesive and engaged knowledge-based relationship with the north’s key research institutions.

If this approach recasts the way decisions are made for the north, then there are several big reform agendas that need to be the foundational focus of attention. First, as the foundation for both economic development and rights protection, the north needs real innovation in the efficient resolution of land use and tenure conflicts across the landscape. This requires a long-term, cohesive and regionally-driven approach to planning of the north’s strategic land use and infrastructure needs. This contrasts the current approach, driven both by either high profile southern conservation campaigns or major development projects that emerge in bull markets. On the economic front, we also need a more targeted and consistent approach to negotiating major project development in ways that lift investor-confidence while not trashing our crown-jewel environmental and cultural assets; approaches that also can build the long-term foundations for regional community development. Alongside this, we have an opportunity to create the basis for an eco-system services economy specifically designed for, and focussed on, northern Australia; one that delivers land owners/managers real economic reasons for managing landscapes explicitly for their cultural, conservation and wilderness values while also keeping the economic foundations for remote communities intact.
At the community-scale, over the past 30 years, the core government model for Indigenous policy and program delivery shifted from assimilation to self-determination, but the policy failures of both have culminated in (the largely top-down) interventions of the last decade and their focus on service normalisation. While addressing critical needs, the new normalisation-based approaches continue to disempower and deliver stop-start progress. The architecture for government delivery largely remains welfare-oriented, inflexible and annualised. Such approaches simply do not build lasting human capacity and often do not work for a region with a rugged landscape, limited human resources and a crueling wet-dry seasonality. Similarly in that time, local governments across the north have been gradually lumbered with big new policy and delivery responsibilities without linked improvements in revenue.

To shift the whole economy from an historically boom-bust cycle, however, the nation must build the foundations for a tropical knowledge-driven economy that both underpins productivity improvements in our existing industries (mining, agriculture, fishing, tourism) and creates real export-oriented engagement. This outward looking engagement needs to be not just into the Asia-Pacific, but right across the globe’s tropical latitudes. This will rely on Australia investing in tropical knowledge development (e.g., tropical health, agriculture, environmental and disaster management, tropical design and energy) within the north. These strengths then need to be brokered into the wider tropical region via long-term partnership building, trade and innovation clusters and the strategic attraction of foreign investment.

This palette of reforms could deliver a progressive and productive northern Australia with a strong identity and lifestyle values to-die-for. Despite the challenging climate, the north could become a place where a great diversity of people (with a wide skills base) want to live, escaping our reputation as the southern hemisphere’s salt mines. The cost of failure would be great: a permanent boom and bust economy with more bust and less boom, whole regions of multi-generational disadvantage and the nation’s environmental and cultural jewels degraded. If progressed through the right governance reforms, however, securing these opportunities in the north may hold the keys to the whole nation’s future.

This paper outlines first why good governance for northern Australia is important to the nation. It details how things actually function in a pan-tropical sense, in northern Western Australia (WA), the Northern Territory (NT) and northern Queensland, and at regional and local scales. It then looks at how the north has been governed through the lens of major conflict themes from our recent history. It also looks at the outcomes that might emerge from a business-as-usual scenario; what happens if the flaws in the governance of the north continue unabated into the future? Finally, it explores (or perhaps dreams) of some of the alternative possibilities for northern governance.
Why North Australia’s Governance Deserves Special Attention

If we take a societal view of governance as the “intentional shaping of the flow of events so as to realize desired public good” (Parker & Braithwaite, 2003, p. 119), then governance theory over the last half century has dramatically shifted. Many now understand governance to represent a wider set of processes of bargaining and negotiation among differing interests in society, leading to public and private good outcomes (Dorcey, 1986). Rather than just focussing on the business of government, this paper takes this wider view. The term governance then relates to how the overall system of decision-making works to deliver social, economic and environmental outcomes for our society (Thomas & Grindle, 1990).

There are several substantive issues of national significance that mean all Australians should be concerned that northern Australia is well governed (from the national, state and territory levels, down to the regional, community and even property scales). Over the past decade, several commentators have called for radical new approaches to governance. Some are so worried about the bigger picture that they have feared the emergence of a failed state within an affluent nation (Dillon & Westbury, 2007; Sanderson, cited in Lane 2008). Several prominent Australians have suggested the real risks lie in the patchwork of failed regions within the wider northern landscape, where Indigenous and remote disadvantage may cycle into permanent social dysfunction (Laurie, 2008). Some have had concerns regarding the failure of Australia’s fiscal architecture to deliver lasting outcomes in remote areas (Committee for the Review of Commonwealth-State Funding, 2002). Others, like Nicholas Rothwell, have tended to focus their concern on the north’s State/Territory governments, suggesting that a bloated, self-perpetuating industry of welfare management has made Indigenous and wider economic disadvantage a chronic problem (Rothwell, 2009).

More recently, a wider group of independent thinkers has outlined concern with the way government is structured to make and implement decisions in remote Australia. Walker, Porter and Marsh’s (2012) report on the disconnect and discontent recorded in their extensive consultations in remote Australia, captured in five key points:

- The desire for people to have a say in decisions which affect them
- The need for equitable and sustainable financial flows
- The need for better services and a locally responsive public service
- The desire for local control and accountability where possible
- The desire for inclusion in a greater Australian narrative.

The north’s Indigenous leaders have also consistently called for major rights-based reforms in the way governance for land, community development and welfare work (NAILSMA, 2012); jointly addressing the unfolding process of reconciliation of past (and many would argue continuing)
colonialism. Noel Pearson’s focus, however, has turned to radical welfare reform, mutual obligation and stronger Indigenous leadership (Pearson, 2013). Following Australian Government responses to the Stolen Generations report (Human Rights and Equal Opportunity Commission, 1997) major tensions remain around how Indigenous calls for an intervention to resolve a modern epidemic of community violence were met with new forms of intrusion and “normalisation” into the lives of Indigenous people (Sullivan, 2011).

Other governance reformers have focused on the need to transform the north’s typical boom-bust economic cycle through the creation of a strong knowledge-based economy. The Inspiring Australia Expert Working Group for Science Engagement in and for the Tropics (Babakan et al., 2012), for example, has called for an overhaul in the way science is conducted and communicated from and to northern Australia, warning that low science engagement and capacity in the region risks long-term productivity gains.

While the above outlines calls for better governance in the north, the following outlines why real attention to governance reform is needed over the coming decade.

The Extent and Potential of Northern Australian Lands and Water

The area anywhere north of the Tropic of Capricorn is simply vast, even by Australian standards (some 2.8 million km$^2$). Southern Australia relies on this wide land and sea scape as its resource-rich hinterland. This is particularly the case for mining, agriculture, fishing and pastoralism, but in effect, the north is also the south’s winter wilderness playground. Some are looking north to escape the consequences of poor land and water use in the south. Northern rivers, though mostly short, tend to be very large in volumetric terms by Australian standards and they carry half (about 200,000 gigalitres) of the continent’s total yearly stream flow. Despite this immense volume, however, developmental opportunities are limited by soils, distance to markets and storage options (CSIRO, 2009). Without good planning and implementation, great ideas can easily become publically-funded millstones. Hence, the risks of not governing such a vast and variable landscape well extend to budgetary, economic, ecological and cultural arguments and into our international and investment relationships.

Location, Population and Strategic Importance

While the north is remote in Australian terms, it is closer to major population centres of South East Asia and the Pacific than its own southern capitals. In years past, the north was considered a strategic risk while the old ‘white Australia’ and ‘populate or perish’ arguments held sway (Reynolds, 2003). While we still only have a population of some 1.2 million people, this situation is now reversed, with the north increasingly taking a lead in building the nation’s Asian-Pacific relationships. There are already deep cultural linkages as history has served up an eclectic mix of ethnic origins (e.g., Aboriginal, Islander, Malay, British, Italian, Irish, Chinese, Japanese, Indian, etc.) across industries as diverse as pastoralism, fishing, mining, farming and tourism (Reynolds, 2003). There are Indonesian and Timorese communities in northern WA, the NT and Christmas Island, and Papuan and Pacific
Island communities in north Queensland. Further, asylum centres are located both in the north and in Nauru, Indonesia and Manus. Hence, our vast northern coastline provides opportunities and risks in managing trade, human rights, tropical health and bio/border security issues.

**Australia’s Economic Future Will Depend on Northern Australia**

Northern Australia currently has an annual export value of $96 billion, comprising around 54% of the national seaport export base (Bureau of Infrastructure Transport and Regional Economics, 2011). The current resources boom, much of it based in northern Australia, has helped Australia to successfully traverse the latest global financial crisis. In fact, a reverse failed-state argument has been levelled at the Australian economy as a whole, given fragility in the south east coast economy (particularly New South Wales (NSW) and Victoria) relative to the prosperous mining regions of WA, Queensland and the NT (Australian Local Government Association, 2013). Mitchell (20 June 2012) relates this to coincident factors driving differences in the nation’s spatial growth, including strong terms of trade for non-rural commodities and exchange rate appreciation. The combined national drive towards Commonwealth and State budget surpluses and the squeezing of disposable incomes adds to this pressure. Hence, in economic terms, the north has been punching above its proverbial (population) weight (Australian Local Government Association, 2013), while perhaps not being the national focus of new infrastructure investment.

**Northern Australia is Vulnerable to Climate Change and Biodiversity Loss**

The northern Australian implications of climate change suggest it is highly vulnerable in the national context (Garnett, Woinarsi, Gerritsen & Duff, 2008). Overall, the frequencies of extreme events (in rainfall, temperature and cyclonic terms) will likely increase and sea level rise poses problems (Dale et al., 2011; Turton, 2011). Some communities may be among the nation’s first climate refugees (Briggs, 2010). New weeds and pests are changing entire landscapes when the rest of the world is looking to treasure, even pay for, north Australia’s biological and cultural values. There are consequent risks in disaster management, health and biosecurity and challenges in managing key economic assets like the Great Barrier Reef and tropical rainforests. In biodiversity terms, a significant loss of small mammals is unfolding (Woinarsi, Mackey, Nix & Traill, 2007).

**Boom and Bust Cycles in Northern Australia**

While the minerals boom might mean things are currently good, northern Australia is very susceptible to boom and bust cycles in the economy. For a natural resources/tourism based economy, a sneeze in global financial markets, currency fluctuations or commodity prices can have devastating impacts (see Figure 1). Major segments of northern Australian society consequently depend on southern government transfers for the balance of economic activity to simply survive. Rothwell (2009) reported that the 2008 NT budget of around $4 billion was only one-fifth based on northern revenue services (primarily mining, property and gambling taxes). Of the remainder, 55% was GST sourced and 25% special purpose (mainly Indigenous project) payments. This high baseline dependency on government expenditure is a real risk for the north.
Recent employment figures in Far North Queensland show a boom-bust volatility typical in northern Australian regions.

*Source:* Skills DMC and Blockey Consultants, Cairns.

**The Economic Opportunity of Tropical Knowledge**

The development of tropical knowledge from within northern Australia creates an unparalleled economic opportunity to service the tropical region across the globe with appropriate technologies, processes and industry-based innovations. The sum of the planet’s tropical economies, the global tropical product, is projected to reach US$40 trillion, 20 times Australia’s projected GDP, by 2025 (Babacan et al., 2012). Of this, between 25% and 30% will be spent on importing goods and services, and more again will be spent on developing new industries in the tropical world. Due to its location and as one of few developed economies in the tropical world, north Australia has the potential to be the knowledge provider of choice to much of the tropical world.

**Human Rights and the Reconciliation Imperative**

Northern Australia is one of the world’s great Indigenous domains. Aboriginal and Torres Strait Islander people have control of, and/or interests in, the entire landscape. They also constitute a big and growing part of the north’s population (1.97% p.a. population growth compared to 1.78%; Carson, Taylor & Campbell, 2009). However, while mining has been driving Australia’s two-speed economy, compared to nearby Indigenous communities, mining’s wealth often contrasts intractable Indigenous poverty (Altman & Martin, 2009; Stoeckl, Esparon, Farr, Delisle & Stanley, 2013). Consequently, the nation will continue to face the human rights imperatives of closing economic and social gaps between Indigenous and non-Indigenous Australians. In addition, statutory land and native title rights will continue to be resolved across the wider landscape, while native title remains an evolving area of case law (JCU and CSIRO, 2013).
Land Ownership and Tenure

The majority of land (75.4%) in the north is crown-owned and potential subject to native title claims (Figure 2). Another 18.5% is Indigenous land. Privately owned land accounts for only 6.1% (Gutteridge, Hall & Hanna, 2000). Hence, in complete contrast to much of the south, the north comprises pockets of (private and Indigenous) freehold within a vast landscape of government-owned leases, public conservation reservations and a multitude of other government-owned tenures (Holmes, 2000). This gives the Australian public a higher stake in, and responsibility for, the state of northern land and water resources (JCU & CSIRO, 2013). The tenure-based foundations of our private sector economy are hence also different to the south.

![Legend](image)

**Figure 2**: Land tenure in northern Australia in 1999.

*Source: CSIRO Ecosystem Sciences. Note: No current comparable tenure data has been recently compiled.*

Energy Dependency in a Land of Opportunity

Remote northern Australia is incredibly dependent on diesel (carted over extreme distances) as its primary energy source. Northern Queensland depends on coal-fired power stations in central Queensland, and hence relies on an annual government subsidy of around $700 million to keep domestic energy prices acceptable. This high fossil fuel dependence is made more precarious by the vast distances energy is transported. This poses some very serious risks for northern Australia as a whole (Garnett et al., 2008). Price shocks, and worse still, supply shocks and transmission failures have the potential to bite into the way things work in the north. This remains the case despite extensive potential energy development opportunities from gas, solar, wind, biomass and even tidal sources (Evolve Energy, 2012). Energy policy is driven by distant governments and regulatory, investment and industry reform is required.
How The North is Governed

Because northern Australia has such national significance, the nation should be actively debating the overall health of its governance system. Does the system work? Are the big vision, policy and implementation settings right? Are the right stakeholders part of the picture and are things well connected and collaborative? Do all concerned have the capacity needed for making good decisions at all scales? Are all the required (scientific and traditional) knowledge sets brought to the table?

Judging by the emerging social, economic and environmental outcomes projected for the north, its governance system appears to remain on a knife’s edge. Some emerging features of the governance system for the north and the outcomes being secured should be celebrated and expanded. Equally, however, some radical improvements are needed to avoid the glass becoming half empty or worse. Indeed, if northern Australia is to secure a prosperous future, this paper is a clarion call to spend the next decade getting the governance systems and consequent policy and delivery settings right. Before possible reforms can be explored, however, an overview of how the contemporary governance system works is needed.

A Nationally Fragmented Governance Framework

While many may not think of northern Australia as a “place” in a geo-political sense, its residents experience similar cultural, historic, economic, climatic, environmental and social conditions. People in the Kimberley, for example, face day-to-day realities more akin with Weipa than Perth. Despite this, the predominant governance relationships across the north are respectively with Perth (for northern WA), Brisbane (for northern Queensland), Darwin for the NT, plus Canberra (particularly for the NT but also for northern WA and Queensland). This is not to deny important social and cultural relationships between those in the north with those in the most relevant southern capitals, but it does remind us that there is little governance connectivity across the north. By and large, the three jurisdictions tend to manage common issues in isolation. Canberra’s relationships with them are also compartmentalised, with high levels of communication fragmentation in and across major Commonwealth ministries and programs.

Indigenous people have had historically strong networks and connections across the north (and beyond). In a contemporary sense, however, stronger cross-northern governance-related alliances are only just emerging. Traditional owners are the torch bearers on this front, with emerging but formalised institutions like the North Australian Indigenous Land and Sea Alliance (NAILSMA). Similarly, cross northern alliances have also been emerging in several not-for-profit sectors such as the community-based Natural Resource Management (NRM) and economic development sectors. Northern-oriented research institutions are also progressing stronger linkages (Babacan et al., 2012). Industries as diverse as the pastoral, fishing and mining sectors have several informal alliances that peak and trough. Some cross-sectoral integration occurs through a regular Northern Australian Economic Development Forum. Some major national institutions, like the Commonwealth Scientific
and Industrial Research Organisation (CSIRO), also now have established institutional and engagement arrangements that enable them to deal with north Australian issues more cohesively.

More recently though, there are more progressive points of integration emerging between WA, Queensland, the NT and the Australian Government. This has led to the formation of the Northern Australian Ministerial Forum (NAMF). This is a positive development that sets up basic frameworks for national dialogue. The new Australian Government, through its emerging White Paper process, aims to lift this to Prime Ministerial and Premier/Chief Minister level (Liberal National Party, 2013). Linked to this, Regional Development Australia (RDA) Boards across the north are equally looking to develop stronger alliances that could help shape a wider northern Australian agenda via the NAMF’s policy and implementation programs. Hence, while the governance frameworks across the north are fragmented, there are indeed some positive signs that the strengthening of cross-northern Australian alliances can link into growing national and cross-jurisdictional policy debates. Governments will need to foster these emerging alliances organically and in a progressive, structured way.

**Centrally Controlled Government Policy, Programs and Investment**

While these cross-northern policy frameworks are emerging, their early attention has been limited to a narrow range of (perhaps) tractable issues. It needs to be stressed that by far, however, the vast majority of government-based policy making, program design and budget development remains in the south. This plays out differently in WA and Queensland compared to the NT, so both circumstances deserve attention. In Queensland and WA, the locus of political decision-making sits in Brisbane and Perth. The level of political representation in the north of these states is too paltry due to limited population and this is even more exacerbated in northern WA than in northern Queensland. In both states, northern Australian interests are not strong in departmental executives, intra-governmental committees and in Cabinet and Treasury. Day in and day out, major decisions do not always fully account for the north’s differences. This traditionally leads to a high level of frustration both among northern Australian communities and even among the north’s elected members.

The situation in the NT is different, with the NT being northern Australia’s only nascent state, with its capital firmly embedded in the north. While this is the case, even decisions made in Darwin can be isolated from on-ground realities. The difference, however, is that the NT is not an economically self-sufficient state, and like north Queensland and WA, it is very dependent on a major benefactor (the Australian Government). This means many decisions first attend to Canberra’s needs before money reaches the NT. The Australian Government, however, also has other major governance responsibilities in all three jurisdictions, including defence and unusually significant responsibilities for Indigenous affairs and the environment.
Large Corporates and Northern Australia

Due to its remoteness, terrain and climate, north Australia is an expensive place to do business, and its major productive assets are in public hands. As such, society’s big corporate institutions are often best placed to raise the finance required to successfully develop these resources, be they in the mining, tourism and in many cases, even the pastoral industry. This means that most of the biggest decisions about development in the north are made in corporate boardrooms beyond the region. The scale of many projects being developed also tends to mean they are of state or even national significance, requiring centralised decision-making. This means corporate and government decisions about such projects, no matter how significant to regional communities, largely happen outside of the northern Australian region.

Cross-Regional Fragmentation

While governance in northern Australia is centralised to Darwin, Perth, Brisbane and Canberra, this centralisation has historically meant that there are quite fragmented approaches to governance among regions within the north. Significant regions in WA, the NT and Queensland do not have a strong history of cooperation and tend to relate to their respective capitals versus each other. Isolation and competitiveness among northern Australian regions, however, has tended to soften in the last decade. Within northern Queensland, for example, there has particularly been an increasing level of collectivism or collaboration among regional NRM and economic bodies. This has also recently extended to greater collaboration between the four northern RDA Boards in northern Queensland (Fitzroy and Central West, Mackay Whitsunday, Townsville and North West and Far North Queensland & Torres Strait). Across the north, cross-regional cooperation is generally on the increase.

Sectoral Fragmentation

Because of the fragmentation in governance systems between WA, the NT and Queensland, there has also tended to be isolated development in the capacity of key economic sectors across these jurisdictions as well. The pastoral industry, for example, has three very separate cattle-based agricultural institutions across the north. The same is also true with respect to the fishing, mining and tourism sectors. Some cross-sector industry alliances have emerged (e.g., the Northern Australian Beef Research Committee) but these tend to be limited in scope.

In some cases, a lack of sectoral capacity in the north has led to national peak bodies taking a higher profile role than might have been the case otherwise. In the conservation sector, for example, national groups such as the Australian Conservation Foundation, The Wilderness Society, the Nature Conservancy and the World Wide Fund for Nature play significant cross-northern roles. These groups themselves, however, can be highly divided with respect to northern Australian issues, as has recently been experienced in the Wild Rivers debates in Far North Queensland. Such organisations tend to have out-posted positions in the north, but their extensive membership base and financial resources are derived from southern Australia.
Locality and Capacity

The vast majority of local governments across northern Australia cover vast territories and have tiny populations. The rates base of many councils is paltry, limiting their capacity to cover basic asset maintenance and civic services. Alongside this, these councils face significant complexity in both large and small development decisions relating to land use change. Native title considerations are ubiquitous. Widespread issues of international, national and state significance often trigger major environmental assessments and additional regulatory complexities. The difficult operating environment and annual wet season damage bill further limits capacity. Further, Indigenous councils in Queensland and the NT are recent additions to the north’s governance landscape. They have emerged in different forms from their historical origins as church-run missions and/or government-run reserves and many have an even more limited income base than mainstream rural and remote councils.

Indigenous Governance

It is difficult for many beyond northern Australia to understand that there are several very distinct domains of Indigenous governance at play in the north. First, few recognise the distinct difference between governance in Aboriginal versus Torres Strait Islander domains. Torres Strait Islanders enjoy a level of political autonomy quite different to Aboriginal north Australians. As a Commonwealth statutory authority, the Torres Strait Regional Authority (TSRA) exercises a higher level of control over Australian Government budgetary allocation and program design and delivery in the Straits. The TSRA also works closely with two Indigenous-led councils, the Torres Strait Regional Council (governing some 18 island communities) and the Torres Shire (governing the main commercial hubs of Thursday and Horn Islands). Much political debate continues among these parties and the Queensland and Australian Governments regarding the most desirable longer term form of political autonomy for Islanders. Islanders also play a significant role in managing governance and decision-making with respect to relations with our near neighbours in Papua New Guinea (PNG).

Secondly, as mentioned above, Indigenous local governments play a central role in governance in NT and Queensland communities, while the WA Aboriginal Land Trust manages lands and services in northern WA. Third, woven through both the Aboriginal and Islander landscape, is the governance role of a plethora of national, state/territory, regional, sub-regional and local Indigenous not-for-profits that deliver health, housing, welfare and other services. These institutions are very diverse in their role and governance arrangements. Pearson (2013) notes and laments the increasing marginalisation of these Indigenous organisations from the business of service delivery across Indigenous communities.

Finally, traditional owner governance systems influence both Aboriginal and Torres Strait Islander interests across the north Australian landscape. This first plays out through the cultural institutions (families, clans and tribal groups) that dominate decision-making. Additionally, these informal institutions often set up more formalised traditional owner organisations under particular legislative frameworks. Such groups include land trusts, prescribed body corporates, management trusts, joint
management boards, incorporated associations and commercial companies. Sometimes the governance needs of traditional owners are scaled-up at the regional and even State/territory-wide level. Infused with this, is the role of statutory land councils; regional or supra-regional organisations supporting the determination of native title and other land and sea rights under Commonwealth legislation.

The Third and Emerging Fourth Sectors

It is important to note that, not dissimilar to many parts of the developing world, the broad church of the “third” or “not for profit” sector has dramatically increased in size, capacity and influence in regard to the governance of northern Australia over the last three decades. Such groups tend to deal on either narrow sectoral or even narrower issues of concern across environment, economic, health and social dimensions. Many are based in, and raise finance from, southern Australia, and are focussed specifically on policy influence and lobbying. In the environment sector, for example, the Australian Conservation Foundation (ACF), the World Wide Fund for Nature (WWF) and The Wilderness Society (TWS) are big players. So too have been major industry peak bodies (such as the Queensland Minerals Council, Agforce and Canegrowers, etc.) and think-tanks like the Institute of Public Affairs (IPA).

Secondly, while some big service focussed not-for-profits have a major influence in the south, a strength is that they do tend to reside within northern Australia itself. In Indigenous affairs, for example, very significant Indigenous institutions have emerged that have had major influence on policy settings and service delivery reform. Regional economic development bodies, hospital boards and other regional service structures have waxed and waned, often being held hostage to government policy and funding settings. In more recent years, regional NRM bodies have emerged across the north. Many of these regionally-based organisations are part of the emerging “fourth” sector; organisations that blur the boundaries between the traditional roles of government, business and the not-for-profit sector.

Finally, under the current Australian Government’s more integrated regional development policy framework, RDA committees (seven across northern Australia) have emerged. Their role is to bring a wider and more strategic policy debate about regional development (economic, social and environmental) to both governments. While independent institutions, they are ministerially appointed under bilateral agreements between the Commonwealth and State/Territory Governments.
Big Conflict Themes & Future Scenarios

Over the decade since the turn of the century, many major themes in the Australian press and literature would suggest northern Australia is a world apart. Most hint at a major conflict between the values and cultures of northern Australians and those of the rest of the nation. Prominent spats include the black-white history wars (Foster, 2003), debates over tree clearing on pastoral lands (Thomson, 2005) and major new dam developments, the tensions emerging from a two speed economy, the Commonwealth intervention in Indigenous communities, an Indigenous and pastoral backlash against wilderness declarations (Roberts, 2009) and even the recent suspension of the live cattle trade (Rothwell, 2009). These fights suggest that both northern Australia and those in the south need to reach a greater understanding if we are to secure a better future for the nation as a whole. The modern history of northern Australia, from around 1970 to the present, however, has been a series of diverse conflicts, more subtle and low-profile than those from our colonial past. Three key conflict-based historical themes stand out, and understanding them guides consideration of the key governance challenges facing northern Australia.

The first theme relates to political skirmishes arising from industrial-scale resource development within the complex and stunning natural and cultural environments that abound across Australia’s north; a landscape considered to be of national (if not international) value by those hungering for the sanctity of wilderness from their base in the over-developed south. The second is a mirror image conflict between the progressive creep of environmental regulation across the northern frontier and a subsequent shift in management control from strongly independent northern land owners and managers to more faceless southern bureaucrats or regulators. Finally, the third theme concerns the reassertion of Indigenous rights in the management of their own economy and their land and sea resources across northern Australia. Although Indigenous north Australians have always asserted their role in managing country, among other historical events, it wasn’t until after the constitutional changes arising from a national referendum in 1967 and the 1970 Gove land rights decision that they could start to claw back actual control over their economic and social destiny.

As with much world history, this modern north Australian history has been one defined by conflict over natural resources. These conflicts have been played out through disputes between people and interest groups with vastly different social agenda and values. The thing connecting all three of these conflict themes, however, is to a large extent, the fact that they all draw breath from cultural tensions within and between northern and southern Australia. They are also made more complicated by differences between the climate and geography of the north compared to the south.

While the first two themes may characterise the extreme ends of two political cultures, they do define the most significant tensions in northern governance. The Indigenous rights agenda is different in that it can’t be cast as an extreme agenda, but one arising from the legitimate need for historical redress from colonial events. It is important that the nation set a clear strategic future agenda for the north and artfully find a path through these conflict themes. While some aspects of the north’s governance are indeed heading in the right direction to achieve this, others are not. Before the highest priorities for
reform can be canvassed, however, it is worth exploring what the future for north Australia might look like if the wrong calls are made by those seeking to improve the north’s current system of governance.

**Resource Exploitation Without Sound Conflict Management**

With the exception of the short term but high economic value of non-renewable mineral and energy resources and some key agricultural development areas, northern Australia is a marginal productive resource (CSIRO, 2009). This is why well-located mining and major agri-industrial development present real options for regional development. To this end, there is substantive support for major resource development projects in northern Australia, but also a desire to get the balance right. However, from the perspective of northern Australians (including many temporary residents), at least two big conflicts need to be handled well.

First, the cost of development means that major projects tend to be driven by national and multinational corporations. While benefits certainly accrue to the north, many also drain south or overseas. Northerners also understand that major resource development must play an improved role in tackling Indigenous poverty (Langton, 2013; Stoeckl et al., 2013). This suggested that not building a diverse and equitable economy alongside resource development will entrench local poverty and keep the north in a permanent boom and bust cycle.

Secondly, with the world’s economy and population growing rapidly, biodiversity, soil and water resources are in progressive decline. When the spectre of human-induced climate change is added, then the north’s wilderness, biodiversity and cultural values suddenly become globally significant. In a rapidly unfolding world of experience-based tourism, tradeable offsets, triple bottom line accounting and low footprint ethical development, northern Australia’s wild, biodiverse and culturally rich landscapes become an investment jewel. While carbon is now regulated, tradeable commodity in many countries, it is likely that tradeable biodiversity, water quality and even social justice offsets or credits won’t be far behind. Hence, resource development needs to occur in ways that can enhance these values.

Driving extensive resource exploitation without resolving consequent social, environmental and regional development conflicts could undermine the future economic stability of the north. This means planning more seriously to identify the values that need to be protected and enhanced and managing development in ways that helps sustain these values. While major developments, particularly in agriculture and mining, are critical, the impacts need to be managed to world-class standards and assessment responsibilities between commonwealth, state and local governments need to be much clearer and more streamlined. Better ways to ensure resource exploitation can contribute to regional development are also needed.
Regulatory Creep Without Social Justice

Excessive regulation of land and sea management can further constrain marginal opportunities for economic development in the north. Even if those from the urban south don’t visit regularly though, at least they will sleep well at night knowing that the landscape is protected on the map. The trouble is, effective land management in the north requires a focus on managing fire, feral animals and grazing pressures; not simply (and very cheaply) regulating for theoretical protection. Legislative protection costs southern government agencies very little while northerners wear the economic and management implications.

While regulation and protection is a key part of environmental management, ultimately, if oft repeated and played as the only card, it can create social and economic injustices for both Indigenous and non-Indigenous communities. Indigenous communities can be left with fewer future economic options. The slow decline of grazing and fishing communities also potentially sets part of north Australia’s social and cultural landscape on a familiar path towards welfare. A shift to an economic base overly dependent on tourism also leaves regional economies highly vulnerable. This is happening at a time when the north needs people in the landscape to manage the very environmental and cultural values the south seeks to protect. The solutions sought need to better blend improved environmental management in remote northern Australia with regional development opportunities.

Native Title Without Land Reform and Community Development

Recognising title and access to country to traditional owners through native title, land purchase and other means is not just a social justice issue; it is an economic one. Even with the land redistribution secured in the last 40 years, however, the crippling social dysfunction of many communities remains pervasive. As a result, the important work of progressing land, water and sea rights must be partnered by determined and tenacious support for strengthening Indigenous governance and long-term, Indigenous-centred community development.

Indigenous communities, proud to have their land title formally recognised, can struggle with the long hard haul of the economic and social reform needed to take advantage of recovered rights and resources (Palmer, 1988). Apart from the need for continuous improvements in native title and land-claim related processes (JCU and CSIRO, 2013), every lost community development opportunity associated with traditional owners securing their rights can perpetuate economic and social marginalisation. It can further delay the return of traditional owners to a strong position of social and economic wellbeing within Australian society.
Northern Challenges - Northern Solutions: Towards Governance Reform

Given the above thematic conflicts that challenge northern governance, this final section reviews the governance reforms needed to ensure the north secures a prosperous future for both its residents and the nation as a whole.

Stronger Collaborative Alliances and Policy Frameworks Across the North

The lack of influence north Australian’s have over the major policy and delivery issues facing them emerges time and again as a consistent governance challenge. To resolve this, this paper does not advocate northern separatism (e.g., see Fitzgerald, 1994). The reforms needed however, are more subtle, but no less radical. The focus needs to be on making the existing system work more effectively, in some parts via major reform, and in other parts through progressive and determined continuous improvement.

Solutions to the problems facing northern Australia are best found in northern Australia. This means communities across the north working more effectively as a block towards more joined-up and more negotiated governance. Building much stronger community-based and/or sectoral alliances across the north is a critical pre-cursor to improved influence. As mentioned before, such foundation sectoral alliances are already emerging, but they will also need to build stronger partnerships with the north’s growing research and development sector. Stronger alliances within the north’s research sector itself are also needed, though there are increasing levels of collaboration across CSIRO, universities and other research institutions, with several pan-northern research partnerships emerging. This increases the potential for the research sector to support more informed interactions within and across individual sectors.

With stronger cross-northern sectoral alliances forming, the possibility then exists for the emergence of a more cohesive cross-sectoral and pan northern stakeholder alliance that could directly influence government policy and delivery systems, and indeed build upon the emerging NAMF. While relatively young, NAMF is starting off by tackling the big “issues de jour” (e.g., the future of the cattle industry, land tenure, and future water use options), and the emerging framework has the potential to become more forward-looking, proactive and strategic. The lift of influence to the more strategic and coordinative “whole of government” focus of the offices of the Prime Minister, Premiers and Chief Minister is also a positive step.

The development of a strong, northern driven collaborative alliance of the sort envisaged is required if the north’s residents are to engage with a more explicit framework for bilateral, strategic and coordinated government policy making and action. In this regard, this paper is not supportive of Walker, Porter and Marsh’s (2012) concept of an “Outback Commission” (i.e., the formation of a new statutory institution). While focused on the business of better governance of remote Australia, such an institution could become subservient to the Australian, State and Territory governments. It is better to
instead focus on building the political agency of a cross-sectoral northern Australian alliance; one engaged with COAG-like reforms in the actual business of governments.

**Rising Above Indigenous Disadvantage**

While there have been some improvements in the social and economic statistics facing Indigenous Australian’s in northern Australia since the 1970s, the gains have been limited and variable. Some key well-being indicators have actually declined. A second report in a series prepared for COAG outlines indicators of Indigenous disadvantage, confirming that a pervasive, intractable problem exists (Steering Committee for the Review of Government Service Provision, 2005). A third in 2012 (Department of Families Housing Community Services and Indigenous Affairs, 2012) revealed mixed results, including a widening gap in the reading/maths skills of Indigenous and non-Indigenous children. Significant cash investment is making a real difference to the lives of individuals, but the underlying functionality of communities and families also requires progress. Further, nation-wide statistics also tend to hide the link between outcomes and the quite vast array of approaches and programs in communities across the north.

Since the 1970s, southern Australia has responded to its departure from the nation’s past protection, assimilation and integration policies with a raft of well-intentioned social and economic development programs for northern Indigenous communities. Whilst there have been some successes, these programs have been, in general, poorly designed and implemented (Walker, Porter & Marsh, 2012), failing to deliver lasting outcomes and laying the foundations for the current political crisis in both Indigenous health and child safety in remote communities (e.g., see references to Peter Shergold’s reflections in Pearson, 2013).

The main problem facing these programs, be they social or economic in their intent, has always been the deep gulf between the government agenda and the very localised world views of people in Indigenous communities. While the mainstream Australian intent may be well-meaning (i.e., social and economic statistics that any southern Australian city might be proud of) few lasting local relationships have been built and there has been limited long-term negotiation between local communities and governments about shared goals and the best strategies needed to implement them. In short, mainstream Australia, through its public sector, hasn’t sat on the ground with local Indigenous communities and negotiated the sorts of social and economic indicators that they might want to achieve together. Government hasn’t had the capacity to be an agent of lasting change; starting with modest goals, building upon small wins and being prepared to be there for the long haul. Working relationships between community leaders and policy makers and service providers are fragile and built to secure short term results. Governments have generally struggled to mount small and durable teams of well trained and dedicated local operatives to build the required long-term and meaningful relationships needed to achieve mutually agreed targets. Such teams need to be able to escape the limited program and bureaucratic focus of their host agencies and to be allowed to deal with a broader range of issues that are the priority locally. Building partnerships and joint approaches
between traditional owners, Indigenous service providers and Indigenous local governments is also critical.

At the policy level, the big picture solutions have remained equally elusive. Policy making has generally sought to avoid or side-step the genuine redistribution of real economic rights, and instead has focussed on welfare delivery. Program funding systems don't meticulously challenge the pervasive but historically understandable weaknesses in the governance systems within Indigenous communities and organisations. At the most senior levels, program and project failure has simply been expected and tolerated.

While the return of strategic economic and social rights are critical, the picture is not complete, however, without long-term local partnerships that work towards shared targets. While there may be some short term wins, the highly interventionist approach being played out by Australian governments in relation to child safety in northern Indigenous communities have had some key flaws. “The Intervention” (see Manderson, 2008) may remove some individuals from danger and create new life opportunities for them. It will struggle, however, to step communities towards solving the foundation causes of the social and economic dysfunction that they face. Additionally, new laws underpinning “The Intervention” may also erode legal gains made by Indigenous Australians that are part of the long-term solution.

The only hope of bridging the gap facing northern Indigenous communities is through the development of genuine, long-term and purposeful partnerships with a much stronger focus on building Indigenous social and economic capital. In recent years, the establishment of mechanisms like the Cape York Partnerships program and Indigenous negotiation tables have intended to build such relationships, but much still needs to be done to develop the required operational integrity, to monitor and evaluate progress and to drive the adaptive collaborations needed. A sound and durable community development philosophy and method is only just starting to emerge, but is certainly not common practice in remote communities.

While currently policy is focussed on normalising and individualising service delivery (see Sullivan, 2011) and while there is a desperate need to create an escape route for individuals, at the same time, localised, Indigenous-led community development to resolve some of the foundation social and economic problems facing communities still needs to be pursued. Neither strategies seeking to develop utopian Indigenous communities nor strategies seeking to close down remote communities and outstations will work. Both collective community development and a focus on building the needs and the capacities of the individual are needed, and both of these approaches must be combined into one cohesive approach.

The improved use of fourth sector and Indigenous-led organisations designed to drive innovative brokerage and service reform might present opportunities; particularly if they are focused on fixing the murky interface between governments and Aboriginal and Torres Strait Islander communities. Appropriately managed (with a focus on legitimacy and accountability) such arrangements could allow
the negotiated achievement of genuine community development targets over the long-term and provide the breathing space needed for communities to monitor progress and review direction. This is impossible to do within a project by project approach and with communities having to interface an unfathomable plethora of government policies, programs, reporting requirements and funding cycles.

**Development and Management of the Two Speed Economy**

Mining, tourism and urban development are among the biggest economic drivers in the north. With some notable exceptions, all three industries are often driven from the big end of southern towns or overseas. Northern Australia, however, would not survive without these big industries, so there should be no doubt that northern Australians generally support them. When development starts being insensitive to northern needs, however, significant problems can emerge. The combined planning and management capabilities of large corporates to drive major projects in these industries often outgun the capacity of local governments (and sometimes State/Territory governments) to mediate reasonable local outcomes. Locally opposition can also quickly translate into conflicts of national significance.

Around the mega developments of the mining, tourism and even urban development industries, several big cultural clashes have nearly always emerged. The first clash generally surrounds the political primacy of development (usually mining over virtually all other land use values), be they Indigenous cultural values, environmental values or the social and economic fabric of agricultural communities. The second relates to the impact of the sudden emergence of enclaves of itinerant workers amidst long-standing Indigenous and agricultural communities. The third relates to local perceptions of where the benefits end up; local feelings that the north suffers local pain for distant corporate gain. A fourth cultural issue of increasing importance across the north has been the capacity of big mines to suck the talent (particularly trade and labour skills) from long-standing northern communities. Alternatively, major corporates are concerned about real dysfunction in project assessment processes, particularly unclear governmental responsibilities (Port Jackson Partners, 2013).

There can be a better way to reconcile these shared cultural clashes, but it is indeed again worth stressing that mining and tourism are the most critical economic foundations for northern Australia. For the sake of the nation, southern powers need to better manage the clash of cultures and economies that have wracked northern Australian communities since the 1970s. Doing so will mean not just better respecting the needs and values of northern communities, but ensuring that the benefits of mining and tourism contribute better foundations for the nation’s and northern Australia’s productivity and sustainability in the long term. Our regional planning and impact assessment processes for major projects require a fundamental overhaul, putting cumulative and social impact assessment in influential roles. This means development of assessment processes should be more about negotiated planning and joint decision-making with local communities (JCU & CSIRO 2013). More must also be done to ensure the major economic and infrastructure benefits of big development
in northern regions contribute more to building the local foundations of a sustainable regional economy.

Additionally, considerable and common tensions between the Commonwealth and the States over leadership of assessment processes can leave investors (Port Jackson Partners, 2013) and regional communities exposed. The Commonwealth and the State’s and the Territory need to further seek agreement on a much more devolved, but integrated and streamlined focus on major project assessment. The assessment process itself also needs to support project proponents to carry out world class engagement, impact assessment and mitigation programs. Further, when major project assessment is required, then consequent government investment in lifting regional and local planning capacity to deal with the impacts is required.

**Avoiding Eco-Colonialism in Northern Australia**

Aboriginal and pastoral lands cover the vast majority of north Australia’s landmass, and the world view of Indigenous and pastoral communities are essentially about local concerns. Nationally significant environmental battles in these lands have emerged when southern policies and agenda conflict with local interests. In the last decade, there have been several major policy battles. One has been the broad desire in southern Australia’s conservation movement to secure a northern wilderness. A second shorter term one emerged through a governmental drive to meet Australia’s international commitments to reduce carbon emissions via the cessation of broad-scale tree clearing. The more recent conflict over live cattle exports has similarly been driven by animal welfare concerns.

While respecting and understanding the intent of these campaigns, big problems have emerged from the processes used by southern governments to resolve these disputes. While government processes may have helped solve particular environmental problems (e.g., by regulating certain activities) they have also often unleashed new ones (e.g., constrained economic development opportunities). More importantly, the way in which these processes have been run has undermined the trust that pastoral and other communities have in governments (Productivity Commission, 2003) and people from the south in general.

Governments, however, can rebuild trust with these important northern communities, and doing so will require the south conferring some respect on the people who actually manage north Australia’s vast land and seascapes. Why not build on the real qualities that exist in northern Australians to reach a more jointly-managed result that both the north and the south can live with? Indeed, the happy notion that one can protect remote northern landscapes through the stroke of a regulatory pen in Brisbane, Perth or Canberra unleashes new risks: expanding weeds and pests, poaching, international and cross-community contraband smuggling, changing fire regimes, etc. The north Australian landscape has been a human artefact for tens of thousands of years. Landscape abandonment, declining communities and lots less people doing stuff on country will have ecological consequences.

The approach to improved management of north Australia’s vast landscapes must start with rebuilding trust and respect between northern communities and southern regulators. This means
governments and industries sitting down together to explore what it is that both parties value and to build a common understanding of the problems at hand. Then there is a need to get the science on the table in a clear way so that a common understanding of the problem can emerge. From here, both parties can co-design and jointly monitor implementation of the best approaches. Some great successes via the application of joint management, for example, have been achieved in securing sustainability in the northern prawn fishery (Taylor & Die, 1999). Unfortunately, however, such cases tend to be the exception rather that the rule.

Further, when change genuinely needs to occur in the north’s industries or at landscape scale, jointly designing the right adjustment programs and seeing them well implemented is critical to long-term and socially just conflict resolution. Natural resource and economic adjustment programs in northern Australia have often been pitiful in their size, scope and vision. Governments have tended to have the energy for the planning and regulatory phase of natural resource management, but no stomach for the longer term and community development-based programs of adjustment and economic reform, implementation and monitoring.

Finally, the north’s bountiful and vast natural landscapes lend themselves well to being packaged and presented internationally within emerging regulatory and voluntary ecosystem services markets. These markets are growing exponentially as regulatory requirements for reduced environmental footprints and trends towards voluntary corporate social responsibility programs become ever stronger. Despite this, Australia is doing little to establish a sound national or northern Australian framework for getting front-row access to these markets. Some change is in play though within the nation’s emerging ecosystem service trading systems (e.g., carbon). Consequently, the nation can’t continue to just regulate the north’s land managers to deliver outcomes on behalf of consumers in the south. Importantly, the cost of securing ecosystem services in the north is considerable, but not prohibitive in the national context. While cohesive options may be some way off, the Australian Government’s intention to incorporate the sequestration of biodiverse carbon into its emerging greenhouse gas abatement programs is a good start. In advance of this, Australia’s Carbon Farming Initiative will trade in northern land practices, presenting options for the better management of northern Australian ecosystems like the reef and tropical savannas (see CSIRO, 2012).

**What Cyclones Mean for Northern Development**

Cyclones are just a part of life in coastal northern Australia. The modern Australian response to cyclonic disaster was born in the national response to Cyclone Tracy in Darwin in 1974. Some very good reforms and response cultures emerged from this event. The new rafts of improved building regulations ushered in across the north explain why so few people die in major cyclonic events. Also, the leadership-driven and well-coordinated responses like those led by the Darwin Reconstruction Commission in Tracy and by General Peter Cosgrove after Cyclone Larry engender real local confidence for recovery in the face of disaster. Across the north, world-class emergency management teams and procedures are in place and they readily kick into gear in the face of a major event.
With the real possibility of more frequent intense cyclones combined with the rapid economic and urban development of the north, there are some serious governance reforms that need to be progressed. First is the need for “whole of community” pre-event planning and coordination. Second, current insurance and funding mechanisms for disaster response are an artefact of the 1970s. Our national Natural Disaster Response and Relief Arrangement (NDRRA) has become an annual core-funding program for local government infrastructure across the north, partly because major events are the norm rather than the exception. Funding is distributed through poorly integrated and application based processes decided well outside the north and the focus is on replacing infrastructure to the same poor standards that existed pre-event. Finally, the narrow focus on physical infrastructure itself limits the strategic recovery effort needed to address social, economic and environmental assets.

The potential way forward for governance reform is a stronger upfront focus on local and regional communities developing proactive adaption plans that are progressively focussed on building resilience across these landscapes and communities over time. Apart from being a basis for prioritising and securing strategic investment to improve adaption, these plans could also form the basis of more proactive and direct negotiation of proactive insurance reform and NDRRA investment post a serious event. This would strengthen local response management. Additionally, the Australian insurance industry increasingly needs to actively participate in and support these sorts of reforms, rather than increasing premiums and, in some cases, simply red-lining (or rescinding) insurance in key sectors and areas.

**Knowledge and the Economic Cycle**

The boom and bust northern Australian economy arises from its dependence on a narrow range of natural resources, markets subject to the vagaries of commodity prices, resource depletion and even fashion. Like all resource-dependent economies, the key strategy required (apart from general diversification) is to build a much stronger knowledge base within the economy. Doing so in a region like tropical Australia, with a focused competitive advantage across the tropical world, delivers two major benefits. First, real and strategic investment in research and development around the core industries is crucial to ensure those industries continue to improve productivity. It also enhances the capacity of these industries to pre-empt, or avoid, facing major structural adjustments as conditions change over time.

Building on the back of such research and development, the potential then exists to target the export of such work, not only across the northern Australian landscape, but indeed across the entire tropical world. Through the establishment of strategic partnerships with developing nations, AusAID and other government agencies, the north will be better placed to achieve a share in the growth of the globe’s tropical economies. James Cook University (JCU), for example, is taking a strategic international role in progressing the “State of the Tropics” concept across tropical research institutions.

In thinking about these science reform needs, the Inspiring Australia report (Babacan, 2012) considered that, in terms of rolling out effective research and science engagement, northern Australia faces some very difficult challenges compared to the wider nation. These include a lack of science
capacity and career pathways, declining trust in science (Productivity Commission, 2003), the low proportion of northern Australians with science and technology qualifications and poor access to the digital economy. These key challenges highlight the need to strengthen science capacity and educational standards in general in northern Australia and to build a stronger science/decision-making interface within the tropics. This means a step change is required in science collaboration and a critical mass and institutional capacity (people, infrastructure and networks) needs to be developed. Shifting from a centralised information dissemination model to a participatory science engagement approach is fundamental to embedding science into the development culture of northern Australia.

**Endemic Regionalism and Sector Strengthening**

Northern Australia is made up of several unique but often interconnected regions. Each region has its own culture, natural environment, climate and identity. The Territory’s Indigenous-led Arnhem Land, for example, is a very different region to Queensland’s sugar and tourism driven Wet Tropics. The currently booming Pilbara is another world compared to Cape York Peninsula. Some commentators have called for stronger council-based devolved regionalism and more policy/support-focused State-NT Government administrations. Independent NT Legislative Assembly representative, Gerry Wood, for example, has called for “dividing the Territory into regions where people relate to each other, whether it’s along geographical, economical or cultural lines” (Hall, 2008). Walker, Porter and Marsh (2012), discuss strengthening of WA’s increasingly effective Regional Development Commissions.

There is no alternative to empowering northern regions to set the direction for and to manage and to monitor progress towards their own economic destiny. This needs to be achieved, however, while also keeping these regions well connected among themselves and with the rest of the nation and the world. Strong regional determinism and decision-making within a wider national and global context can be referred to as endemic regionalism. Strong endemic regionalism is essential to securing a stable future for the north, but needs national and state policy frameworks that foster it. It also needs to be explicitly resourced and supported by tri-lateral (local, state and Australian) government commitment.

There have been several false starts towards stronger endemic regionalism in Australia since the 1970s. Most have focused on one specific sectoral agenda at a time. A prominent example includes the Commonwealth’s Regional Development Program (RDP) in the early 1990s, which established Regional Economic Development Organisations across Australia. A later example was the Commonwealth regionalising employment development via Area Consultative Committees (ACCs). A common feature of many of these short term and often isolated programs has been the formation of a regionalised advisory group, the development of some form of forward strategy and the alignment of Commonwealth and/or State government resources to achieve the strategy. While there have been emergent strengths in such silo-based initiatives, there have also been persistent characteristics that have led to peripheral results for northern Australia. Many have been government-driven to meet short term political cycles, leaving them vulnerable to political changes at state and federal levels. Most have also been poorly integrated across social, economic and/or environmental needs.
A shift to endemic regionalism requires a shift from government and program-driven planning around the typical three or four year political cycles, and requires great steps to be taken in improving the planning capacity within a region’s community and industry sectors. Regions need to increasingly become more self-reliant in their own planning and decision-making. Such changes, for example, are the key to northern Australia addressing some of the critical issues currently left to southern policy makers, such as energy security.

Responsibility for improving the regional planning system in the north ultimately lies with all players with a stake in the future of the north. It does not just sit as a responsibility of one or another sphere of government. Past experience suggests that:

- There is a need for regional integrative institutions that bring the parties together to find negotiated solutions to regional problems, building cross-sector trust and supporting sector-based planning capacity
- Well-structured negotiation between governments and communities over major regional problems can reduce significant and long-standing conflicts almost immediately and more strategically influence annual government budget cycles
- State of the Region reporting systems can harvest local technical expertise with regard to where a region is headed and the success of agreed actions.

Major change is required in the way the nation supports planning and decision-making to achieve regional prosperity and sustainability. This change, however, is not one that will be too costly in the north; in fact it could actually save limited human resources and be cheaper than our current fragmented and conflict-based regional planning system. Endemic regionalism simply requires the collective will of Federal, state and local government, industry and communities to agree on what constitutes endemic regionalism and to act upon it. Both the Commonwealth and States have advanced in this field, but stronger bilateral approaches are needed as well as a more consistent approach across the north.

**Integrated Voluntary Regionalism and Local Government Strengthening**

A logical follow-on from endemic regionalism is the need to sharpen the system for (integrated) regional statutory planning with a strong land use focus, and building the foundation strengths of local and community governments as the key point of localised planning and service delivery across the north. These processes, while needing to be embedded within a strong statutory framework, must be based on genuine partnerships between the Commonwealth, the State/Territory Governments and local governments.

Statutory regionalism has been emerging across the north, and has recently experienced a resurgence in both WA and Queensland. Stronger regional and statutory land use planning and integrated natural resource management planning would be required to:
• Assess the potential developmental opportunities and risks associated with the future of the regions and appropriate responses and implementation strategies

• Develop agreed regional footprints or zonings to manage efficient industry and urban growth and to protect the core landscape values

• Consider the regional impacts and management implications of new development and demographic trends facing the regions

• Develop an appropriate infrastructure plan and implementation schedule to meet scheduled development within the footprint or zonings (including mining, pastoralism, agriculture and landscape-scale tourism).

Commonwealth funding of strategic infrastructure could indeed be based on the state/NT and local government achieving outcomes based on an agreed plan intent. To ensure effective cost-sharing between all spheres of government, however, these regional land use plans would also need to be agreed between local, state and Australian governments.

The emergence of voluntary regionalism among councils in the north, while still in its infancy, is showing great promise in lifting the combined regionalised capacity of many small, isolated councils to better manage their common planning, infrastructure and asset management priorities. Support and enhancement of voluntary regionalism is critical, encouraging its capacity to influence regional statutory planning and infrastructure and asset management. There are several ways that this could be achieved, but structured and longer term tri-lateralism in investment arrangements directly channelled into local government show great promise (e.g., the Queensland Roads Alliance).

Northern Australia is particularly disadvantaged, however, with respect to securing investment into both major and more localised public infrastructure. A recent national Ernst and Young (2012) report on infrastructure financing suggests radically new ideas are required to increase the capacity of local governments and regional communities in the north to secure improved financing arrangements. Some key possibilities include creating regionalised finance brokerage capacities, creating north Australian-focused superannuation funding arrangements and improved community and investment bank alliances for business financing.

While covering a few related concepts at once, major regulatory reform in relation to local planning and decision-making is also needed (as recently recognised in Queensland), with the profusion of multiple regulatory instruments and poor coordination of government regulatory and compliance responses approaching unworkable complexity. So is a more harmonised but strategic cross-jurisdiction focus on innovative tenure resolution across the north, including pastoral land, water, carbon and native title reform (JCU & CSIRO, 2013).
Indigenous-Led Land Reform to Create Wealth and Escape Poverty

Throughout the world, capitalism’s success in poverty reduction is based on the introduction of transparent land title systems. Clearly defined and secure property rights enable investment capital to be raised and private enterprise to flourish. Emerging markets can then also be well regulated to avoid or manage environmental and social downsides. The sober alternative to poorly defined property rights would be a return to a traditional economy or a centrally planned one, and few in northern Australia see this as an option.

Improving the management of property rights has always been a foundation for kick-starting economic development in the developing world. There is a common view, however, that various forms of communal tenure, like those found in Indigenous Australia, are the antithesis of individual property rights and the operation of effective markets. Simply transitioning from communal to individual rights-based systems, however, is not essential (Wensing & Taylor, 2012). It is the definition and management of the rights of parties with an interest in communal systems that is crucial. With clearly defined and stable communal rights, traditional owners can create the corporate structures needed to manage development and wealth (JCU & CSIRO, 2013). Alternatively, they may also seek to devolve land titles to third parties in areas of strategic economic importance in their communal estates (e.g., long-term leases). Clearly defining property rights and separating ownership from management in such ways can create the basis for marketable property rights and economic development.

While lease-based arrangements on traditional lands are part of Commonwealth, State and NT intervention strategies, the primary focus has tended to have been aimed at securing essential facilities for the operation of the intervention itself rather than as a bold new strategy for solving the impoverished conditions facing people in remote Indigenous communities. Only recently (particularly in the NT and Queensland) have traditional owners been better supported by governments in their decisions relating to the creation of such leases (including leases for home ownership within communities). Some of these experiences, however, have also shown what might be possible, particularly through some of the specific strengths of the Commonwealth’s Aboriginal Land Rights Act in the NT (see JCU & CSIRO, 2013).

There are several things that need to be done well if governance reforms associated with land and (and increasingly water) tenure is to deliver real opportunity for communal lands and remote communities (NAILSMA, 2013):

- **Effective planning for communal lands and adaptive learning.** Independent country-based planning support for traditional owners to think about the wider aspirations they have for their estates and focused land use planning attention on the areas required for more intensive economic development

- **Effective systems for recording and managing property rights.** The desired legal rights of traditional owners need to be defined well and information systems concerning land
boundaries, community title, beneficiaries, lease boundaries and lease conditions all need to be carefully resolved and recorded

- **Supporting Indigenous capacity for managing communal wealth**: Several levels of deep and extended support are needed to assist traditional owners through any land reform and associated wealth management processes

- **Institutional investment in land and sea management**: Delivering on the improved management of Indigenous cultural values means supporting strong traditional owner-based land and sea management institutions across the north.

**Property Scale Planning and Reform**

While it may seem trivial in the bigger scheme of governance issues facing the north because of the micro-scale, reform in the relationship between governments and individual land managers across northern Australia is a priority. This is partly because the vast bulk of northern Australia is managed by a relatively small number of pastoral enterprises and traditional owner estates. Secondly, if southern Australia wants particular environmental and cultural outcomes from the northern landscape, then the relationship between governments and land managers must change substantially. Relationships once focused on supporting rural enterprise have shifted to relationships almost exclusively focused on regulating land management activities. The emerging plethora of regulatory instruments over the last 20 years has resulted in a system where no one agent of government can precisely articulate what is expected of land managers. At the same time, land managers find it almost impossible to be fully across the full range of their required regulatory obligations. All this has occurred in parallel with the significant contraction of government-based extension.

A few key areas of reform could substantively improve this over time. Industry and government could reach agreement about a singularised and simple approach to property management planning that starts with longer term enterprise profitability and simplifies the expression and management of the existing melting pot of regulatory obligations. Enhanced regionalised service frameworks could broker a wider range of government, not-for-profit and business services to support enterprise viability at property-scale, including a stronger focus on landscape-scale collective action across properties. Finally, there could be significant consolidation of regulatory arrangements affecting property management. Such reforms in turn, could enable property management to be better guided by more regional strategies for industry development and stable land use planning frameworks.
Conclusions

This paper seeks to create the foundation for a much wider national debate about the governance of northern Australia. While it has made the case as to why this reform agenda is needed, its main message is that within the modern political economy of the nation and globalised world, the answer can’t be as simple as past calls for northern separatism. A more nuanced, but nonetheless radical approach to reform is needed; one requiring effort from all key players, including northern communities, corporates, not-for-profits and governments.

Of key importance, of course, is the empowerment of northern Australians and their institutions to chart their own destiny. This necessarily includes building stronger (and better informed) alliances across the north, both within and across key sectors and regions. Equally, joined up and combined government policy, fiscal reform and investment responses across the Queensland, NT, WA Governments and the Commonwealth Government is also essential.

While these new cross-northern frameworks are important, the engine that needs to feed them includes the creation of a much stronger northern Australian and internationally engaged-tropical knowledge economy: one more fundamentally engaged with securing innovation within the north’s core industries, and one that seriously engages, not just with the Asia-Pacific, but with the wider tropical world. This is essential if we are to approach some sort of smoothing-out of the north’s traditionally boom and bust economy.

Finally, reform is not just needed at the pan-northern scale, but indeed at the regional, local government, community and even property scales within northern Australia. Improvements in governance in northern regions and communities are indeed achieving levels of program integration that simply isn’t being delivered both between and within government agencies. Hence, reform at all scales fundamentally relies on the evolution of a very different and far less paternalistic relationship between the more southern centres of power and northern communities. This needs to be combined and effectively integrated with more innovative approaches to government service delivery, finance and investment across the north.
About the Author

Associate Professor Allan Dale is the Research Leader in Tropical Regional Development and James Cook University’s Cairns Institute. He also holds an adjunct position within Charles Darwin University’s Northern Institute. Having grown up in Far North Queensland, as well as having played senior executive roles within the Queensland Government, Allan has a keen interest in integrated governance of northern Australia. His doctoral work explored the governance of rural development in remote Indigenous communities. He has had extensive research, management and policy experience in regional development and natural resource governance, including experience in the north’s pastoral, fishing, forestry, tourism and mining sectors. As the inaugural head of Queensland’s Social Impact Assessment Unit, he was involved in decision-making from national to local levels. In his spare time, he is Chair of Regional Development Australia (Far North Queensland and Torres Strait) and lives with his wife and two children at Mirriwinni, a small northern sugar community.

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